

SAPC-6189 ✓
Copy 2 of 6

MEMORANDUM FOR: Project Director of Administration 5 June 1956

SUBJECT : Per Diem Payment by Lockheed to Detachment A
Contract Employees

25X1A 1. Mr. C. L. Johnson informed me in a telephone conversation on 29 May that Lockheed is proposing to pay their employees while stationed at [REDACTED] a contribution toward their living expenses. The employees will be required to submit an expense account and outlays for approved items will be reimbursed up to the amount of Two-Dollars (\$2.00) per day. This payment is calculated to cover a portion of the employees' living costs of about Twenty-Dollars (\$20.00) per week. The calculation is based on the costs that have been experienced at [REDACTED]. The figure of Twenty-Dollars is the estimate that was given the employees at the time of their selection as the probable amount of their weekly living expenses.

25X1A 2. Employees will be cautioned when they are told of this arrangement that the less said about it to others at [REDACTED] the better and that they should describe it as a contribution by the Company to living expenses in "hardship" cases and situations. They will also be warned that if this becomes an issue with other groups in the Detachment as a consequence of much talk about it, the whole arrangement will have to be reconsidered. It is being stipulated by the Company that this arrangement applies only at [REDACTED] and will not necessarily be continued at any other location.

25X1A 3. The justification for this arrangement is of course dubious but I am convinced that some justification does exist. In equity it is that the Lockheed employees have been spending nearly twice as much as they were told to expect and that this unexpected extra living cost, if continued, would eat up most of the bonus they are due at the end of their period of employment. The more pragmatic justification is that Kelly was faced with a degree of real unhappiness on this matter of living costs and is convinced that there would be some attrition of personnel and considerable impairment of morale if some action were not taken. This has been discussed provisionally with the contract employees of Detachment A and I believe it is not possible for us to prevent this arrangement from being put into effect.

SECRET

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4. Kelly has twice stated to me that the Company would meet this cost out of its own resources. I am not quite clear what this means. I would appreciate if the Contracting Officer would find out from Messrs. Welty and/or Bias just exactly how this item will be financed.

25X1A 5. I believe [REDACTED] should be aware of this action by Lock-
25X1A heed and hope that [REDACTED] would in any event inform him. In order
to make sure, however, I ask the Director of Administration to send a rather
carefully worded message suggesting that he discuss with [REDACTED] 25X1A
action taken by C.L. Johnson following further consideration of the personnel
25X1A problems he looked into at [REDACTED] and stating that we would communicate
on this matter by dispatch. You might then send [REDACTED] a paraphrase 25X1A
of this memorandum with any other comments you wish. I believe it would
not be desirable to outline the arrangement in a message since it would
then have to be read by commo personnel at the very least and might
receive undesirable circulation.

g/m
RICHARD M. BISSELL, JR.
Project Director

RMB:djm
1-Dir of Admin
2-RMB Chrono
3-Contracting Offr
4-Pro. Dep. Dir.
5-Finance
6-Project Chrono

SECRET

25X1A

TRANSMITTAL SLIP		DATE
		19 June 1956
TO: [REDACTED]		
ROOM NO.	BUILDING	
	Matomic	
REMARKS:		
<p>Herewith are two memoranda which I sent out on 5 June. Would you see if you could elicit answers and reactions. These can be oral rather than written as far as I am concerned.</p>		
FROM:		
Richard M. Bissell, Jr.		
ROOM NO.	BUILDING	EXTENSION
321	Administration	707

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

TRANSMITTAL SLIP		DATE
		20 June 1956
TO:		
Richard M. Bissell, Jr.		
ROOM NO.	BUILDING	
510	Matomic Bldg.	
REMARKS:		
<p>Dick - 25X1A I discussed this memorandum with [REDACTED] who has prepared a dispatch for [REDACTED]. The dispatch has been coordinated with [REDACTED] and [REDACTED] and is on its way to you for signature.</p> <p style="text-align: center;">[Signature] ADM</p>		
25X1A		
FROM:		
[REDACTED]		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
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